

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 14th FEBRUARY 2006

Question

Would the Chief Minister inform members –

- (a) whether he considers that indicators such as Gross National Income (GNI) is an appropriate indicator of economic trends in a small state and, if not, whether he intends to replace it with another type of indicator?
- (b) whether up until 1995/6 there was, in existence in the office of the Economic Advisor to the States, a separate “basket of goods” designed to measure the impact of RPI on pensioners and, if so, can the Minister confirm whether this mechanism still exists, and if not, the reasons why? Does the Minister have under consideration any further methods to measure the effects of RPI on pensioners? and,
- (c) whether he intends to take similar steps under the ministerial system in Jersey to those taken by the U.K. government to further distance the Office for National Statistics (ONS) from ministerial control?

Answer

- (a) The key measure of the economic performance of the Island is Gross Value Added (GVA) which, since 2004, has been produced annually to international agreed standards by the States Statistics Unit. The benefit of GVA is that it is the only aggregate economic measure that allows us to understand the performance of each sector of the economy and the whole economy.

In addition, the Statistics Unit publishes a range of supporting measures including GNI, GVA per employee and GDP. All these measures are appropriate if they are used correctly.

- (b) I understand that a pensioners RPI was previously calculated but that this stopped in the mid 1990’s. Information about the impact of price rises on all households, including pensioners, is currently being collected by the Statistics Unit as part of the household expenditure survey. This survey, which has achieved a higher participation rate than previous rounds of the survey, will provide a wealth of information about the spending patterns and the impact of price rises for all households, including detailed information about the impact on pensioners, who tend to be at the lower end of the income distribution. This information and analysis will be extremely valuable in the development of social policy and will ensure we are better informed about the economic circumstances of the whole population than ever before.
- (c) Developments in the U.K. will, of course, continue to be monitored. However, it is important to acknowledge that the people of Jersey and its government are well-served by a Statistics Unit that is operationally independent and is providing a greater breadth of information than ever before.

In addition, the Statistics User Group has been established by the States to review and comment on official statistics, with a particular focus on the work of the Statistics Unit. The User Group is independent of both the States and its departments, and its members are drawn from a wide cross-section of organisations from the Island community, including organisations representing the consumers, the finance industry, the voluntary sector, and pensioners.

The position of the Statistics Unit will, however, be reviewed by the Council of Ministers in order to establish whether any changes are needed to the current arrangements.